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# Ethics and Compliance Committee Charter

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## **Purpose**

The ethics and compliance committee shall review, identify, and when appropriate bring to the attention of the board of directors legal and regulatory trends and issues, and compliance and quality matters that may have an impact on the business operations, financial performance or reputation of the company. The committee shall also review, monitor and make recommendations to the board on corporate policies and practices that relate to compliance.

## **Composition and Term**

The committee shall consist of no fewer than three non-employee directors, each of whom shall meet the New York Stock Exchange standards for director independence. At least one member of the committee shall serve concurrently on the audit committee. The committee members shall be appointed by the board on the recommendation of the directors and corporate governance committee for one-year terms, and shall serve such terms as the board may determine, or until their earlier removal, resignation, or death. The chair shall be designated by the board.

## **Administrative Matters**

The committee shall meet at least four times per year, including semiannual private sessions to discuss compliance with the chief ethics and compliance officer, the general auditor, and the executive vice president, global quality; annual private sessions with the chief executive officer to discuss succession management for the position of chief ethics and compliance officer; and at such other times as the committee determines to be necessary or appropriate. The committee shall meet at least annually with the audit committee. The committee shall report to the board following each committee meeting. The committee may, in its discretion, delegate all or a portion of its duties and responsibilities to the chair or a subcommittee of the committee. The committee may, at any time, retain its own outside advisors at the company's expense. The committee and its members may talk directly and privately with any members of management in discharging committee responsibilities. The

committee or its chair may request that any officer or employee of the company attend any committee meeting.

## **Supporting Corporate Staff**

Executive vice president, enterprise risk management and chief ethics and compliance officer  
Executive vice president, global quality  
General auditor  
Office of the corporate secretary

## **Duties and Responsibilities**

The committee shall have the following duties and responsibilities:

1. Review policies and practices of the company and monitor compliance in areas of legal and regulatory requirements and when appropriate report and make recommendations to the board with respect to such policies and practices, including those involving:
  - environmental protection;
  - health and safety of employees;
  - privacy;
  - employment;
  - clinical research;
  - research and development;
  - sales and marketing;
  - manufacturing; and
  - quality.
2. Together with the audit committee, assist the board in its oversight of legal and regulatory compliance and oversee the company's compliance with its code of ethics. The audit committee shall have sole oversight over matters of financial compliance (including accounting, auditing, financial reporting, and related investor disclosures). As to all other areas of compliance ("non-financial compliance"), the ethics and compliance committee shall have



primary oversight responsibilities; however, the two committees shall meet jointly at least annually to review major non-financial compliance matters, including:

- Significant legal or regulatory compliance exposure; and
  - Material reports or inquiries from regulators.
3. Review and approve annually the company's annual internal audit plans related to non-financial compliance matters.
  4. Receive reports from the chief ethics and compliance officer at least four times per year, and from each of the general auditor and the executive vice president, global quality, at least annually.
  5. Review and make recommendations to the board regarding proposals of shareholders that relate to matters overseen by the committee.
  6. Annually review and assess the effectiveness of the committee and the adequacy of the reporting and information flows it is receiving, and make such changes as are required to maintain and enhance the committee's effectiveness, including recommending to the directors and corporate governance committee any changes to the committee's charter or membership.

The committee shall undertake such additional activities within the scope of its primary functions as the committee may from time to time determine.

